Calculating Impact Series

Food Distribution Programs

Food distribution programs — including food banks, food pantries and soup kitchens — provide meals to people in need. Across the country, food distribution programs serve as an essential bulwark in the fight against poverty.

The success of food distribution programs is captured in the outcome "meals provided to a person in need."¹ This guide includes protocols for calculating meals provided and the cost to provide those meals.

This guide is appropriate for food distribution nonprofits of any size operating a program whose primary charitable activity is to provide meals to people in need, either directly or through an intermediary such as a soup kitchen. The impact calculation uses data typically on hand already and does not require intermediate or advanced training in data analysis. The output of this exercise is an impact statement, e.g., $2 provides a meal to a person in need.

Resources

→ Use this free template to automatically calculate impact.
→ For more information, see the impact methodology for food distribution.

¹ Alternative metrics include reduced hunger, increased savings and nutritious meals. Calculating impact with these metrics is outside the scope of this how-to guide.

Learn more at impactmatters.org/nonprofit-center

Pg. 1 of 7
Impact Calculation Steps

1. Define the program (<10 minutes)
2. Gather program data (1-2 hours)
3. Calculate impact (<30 minutes using template)
   a. Estimate outcomes attributable to the nonprofit's program
   b. Count costs needed to achieve those outcomes
   c. Divide costs by outcomes to calculate impact
4. Communicate findings (1 hour)

1. Define the program

Identify the following:

- Name of the program
- Scope of the program. If there are multiple locations, it is acceptable to aggregate them into one equation or analyze them one at a time.
- Time period of analysis. Select a period with complete data on meals and completed financial statements.

2. Gather program data

Impact analysis of food distribution programs requires 8 data points, of which at least 5 are supplied by the nonprofit. Below is a list of the most important data points.

When collecting data, keep in mind:

- All data must match the chosen time period
- If missing or incomplete, data can be estimated
- Some data are standard values derived from research literature, government statistics or other organizations. This is indicated.
- Be prepared with the basics of the program: program activities, geography, beneficiary type and timeframe.

<table>
<thead>
<tr>
<th>Data Point</th>
<th>Description</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcomes Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of meals or “meal-equivalents” distributed ID: 03-003-01</td>
<td>For soup kitchens: Use meals served by the soup kitchen. “Seconds,” leftovers, snacks or beverages should not be counted as separate meals.</td>
<td>Nonprofit</td>
</tr>
</tbody>
</table>
For food pantries and food banks: Use equivalent "meals" that can be made using groceries distributed by the pantry or bank. Many food pantries and food banks convert the amount of food items they distribute into equivalent "meals" using the U.S. Department of Agriculture’s estimate of the average weight of a meal (1.2 pounds) — a methodology Feeding America also adopts.

## Cost Data

<table>
<thead>
<tr>
<th>Cost Data</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total program costs related to food distribution</strong>&lt;br&gt;ID: 04-000-00</td>
<td>For all: Use total program costs related to food distribution. For nonprofits that run multiple food distribution programs (e.g., a soup kitchen and a food pantry), costs need not be separated by program. Neither do food banks need to separate their costs to run partner distribution programs versus direct distribution programs. Nonprofit</td>
</tr>
<tr>
<td><strong>Value and amount of donated food distributed</strong>&lt;br&gt;ID: 04-000-01</td>
<td>For all: Use the value of donated food distributed. This is subtracted from total program costs. Nonprofit</td>
</tr>
<tr>
<td><strong>Value and amount of government commodities distributed</strong>&lt;br&gt;ID: 04-003-01</td>
<td>For all: Use the value of government commodities distributed. This is subtracted from total program costs to avoid double-counting. The amount of government commodities distributed (in pounds) is used to estimate government costs. Nonprofit</td>
</tr>
<tr>
<td><strong>Beneficiary costs</strong>&lt;br&gt;ID: 04-000-20</td>
<td>For all: Report beneficiary costs if they are substantial. Otherwise, they can be estimated at $0. Nonprofit</td>
</tr>
</tbody>
</table>
| **Proportion of food sourced from or distributed through partners**<br>ID: 04-003-02 | For soup kitchens and food pantries: Use the proportion of total food distributed that was sourced from food banks. This is used to calculate Partner costs. If the proportion is unknown, a standard proportion calculated from a sample of soup kitchens and food pantries is applied.

For food banks: Report the proportion of food that was distributed through soup kitchens and food pantries not run by the food bank itself (i.e., partner-distributed food). This is used to calculate Partner costs. If the proportion is unknown, a standard proportion calculated from a sample of food banks is applied. Nonprofit or standard value |
| **Partner costs**<br>ID: 04-000-10 | For soup kitchens and food pantries: The cost incurred by the partner food bank is by multiplying Standard value |

Learn more at impactmatters.org/nonprofit-center
3. Calculate impact

To calculate the impact of a food distribution program, divide the total program-related costs incurred by all cost-bearing parties (including the government and partner organizations) by the total number of meals the program provided to people in need. If using the calculations template, follow the instructions there and skip to the next section.

**Outcomes calculation**

\[ \text{Outcomes} = \text{Meals distributed} - \text{Counterfactual meals} \]

- **Meals distributed**: Total meals distributed by the program or using food provided by the program.
- **Counterfactual meals**: How many meals program beneficiaries would have received from other sources in the absence of the program. The M.E.I. sets the counterfactual at 0 for food distribution on the assumption that there is no slack capacity in the food system and one fewer meal distributed means one more person hungry.

---

2 We use the U.S.D.A.’s [annual summary of Food and Nutrition Services programs](https://www.fns.usda.gov/tna) to calculate the government’s average cost per pound of commodities for The Emergency Food Assistance Program (TEFAP) specifically, which tends to be the largest of U.S.D.A.’s food distribution programs. We do so by dividing the total cost of TEFAP by the total pounds distributed as part of TEFAP. The summary states: “Total cost includes commodities distributed (entitlement and bonus) and the Federal share of State admin. expenses. Emergency food assistance is food made available to hunger relief organizations such as food banks and soup kitchens. It is not disaster relief.”
Cost calculation

\[ \text{Cost} = \text{Program Costs} + \text{Partner Costs} + \text{Beneficiary Costs} \]

*Program Costs*: Direct expenses. Include costs such as rent, purchased supplies and staff time. Exclude expenses incurred using in-kind donations, particularly in-kind food donations. Also exclude fundraising and management expenses.

*Partner Costs*: Expenses incurred by partners to distribute meals counted as outcomes. For food banks, include costs of soup kitchen and food pantry distributors. For soup kitchens and food pantries, include costs to food banks.

*Beneficiary Costs*: Include costs such as fees for meals. Exclude costs such as cost of transportation.

Impact Calculation

\[ \text{Impact} = \frac{\text{Cost}}{\text{Outcomes}} \]

Apply a 5% discount rate to convert impact into current year values.

4. Communicate findings

Impact calculations are presented as an impact statement:

\[ \text{$2 provides a meal to a person in need.} \]

At a minimum, accompany the impact statement with the name of the nonprofit. Space permitting, the following can be added:

- Program details (name, activities, beneficiaries served, geography)
- Outcome and cost data source and time period
- Method for attributing outcomes
- Outcomes, cost and impact calculations

Website

We recommend you post the impact statement on your website. Impact statements can accompany other program information, such as number of people served, or be presented standalone on the home, program, impact or other relevant pages.

Learn more at impactmatters.org/nonprofit-center
Calculating Impact Series  Food Distribution Programs

ImpactMatters Rating

If you have completed the impact calculation template, you may be eligible for an impact rating from ImpactMatters. Submit the spreadsheet here and ImpactMatters will be in touch:
https://forms.gle/3N8feJsyTX3TR47E9

GuideStar Platinum

GuideStar is a database of millions of organizations used by donors and nonprofit professionals. GuideStar awards seals based on transparency. This impact calculation can be used to attain GuideStar’s highest seal, Platinum. To do so, follow the steps below:

- Start by registering for an account here:
- Click “Update nonprofit profile” in the top menu. If you haven’t already gained access to your organization, click “Find and get approved” and follow the instructions. Then, click on your organization’s name to get started.
- To receive a Platinum badge, you must first complete the steps for Bronze, Silver and Gold. Follow GuideStar’s instructions for doing so.
  - When filling out the programs section of Bronze, make sure to create a program that matches the program or programs you used calculate impact. Enter the details for the program, including the budget. We recommend including this note in the program description: “The impact of this program was calculated using ImpactMatters’ Methodology for Estimating Impact and reported through GuideStar’s Platinum Seal program.”
- On the Platinum screen, click “Add a new metric”. Search for “meal” and select the metric “Number of meals served or provided.” [We recommend this metric over two alternatives, “Number of meals delivered” and “Number of emergency meals provided,” to improve comparability, but those metrics are also acceptable.] GuideStar does not have a dedicated metric for pounds of food provided. If you are reporting in pounds, select “Can’t find a metric? Add your own” at the bottom and enter the metric “Pounds of food delivered.” After selecting the metric, enter your result and add totals by year. Select “Output” as the metric type.
- Complete your GuideStar Platinum level.

Example: United Food Bank and Services of Plant City

Program subtype:  Food pantry
Program activities:  Providing groceries to beneficiaries
Geography:  Hillsborough, FL
Beneficiaries:  Economically disadvantaged, low-income and poor people
Children and youth (0-19 years)

Learn more at impactmatters.org/nonprofit-center
Data was collected by reviewing nonprofit’s online documents, including their annual report and tax form 990.

We assume that the distribution of a meal from one nonprofit's food distribution program does not diminish the amount of food distributed by any other (neighboring) food distribution program. This “counterfactual” assumption about the amount of food distributed in the absence of a nonprofit’s food distribution program implies that the benefit of a meal to a beneficiary in need constitutes a net gain; the gain is not offset by reductions in food provided to other beneficiaries in need. We therefore set the counterfactual to zero.

Outcomes calculation

\[1,113,768 \text{ meals distributed} = 1,113,768 \text{ meals distributed} - 0 \text{ counterfactual meals}\]

Cost calculation

\[$205,107 \text{ in total cost} = $188,535 \text{ program costs} + $16,572 \text{ partner costs} + $0 \text{ beneficiary costs}\]

Impact Calculation

\[$0.18 \text{ to provide one meal} = \frac{$220,754 \text{ total costs}}{1,198,737 \text{ meals distributed}}\]

5% discount rate has been applied to convert impact into current year values. Impact statement is rounded.

Impact: $0.20 provides a meal to a person in need.

Click here to see their full rating.